

Why We Conducted This Informational Brief

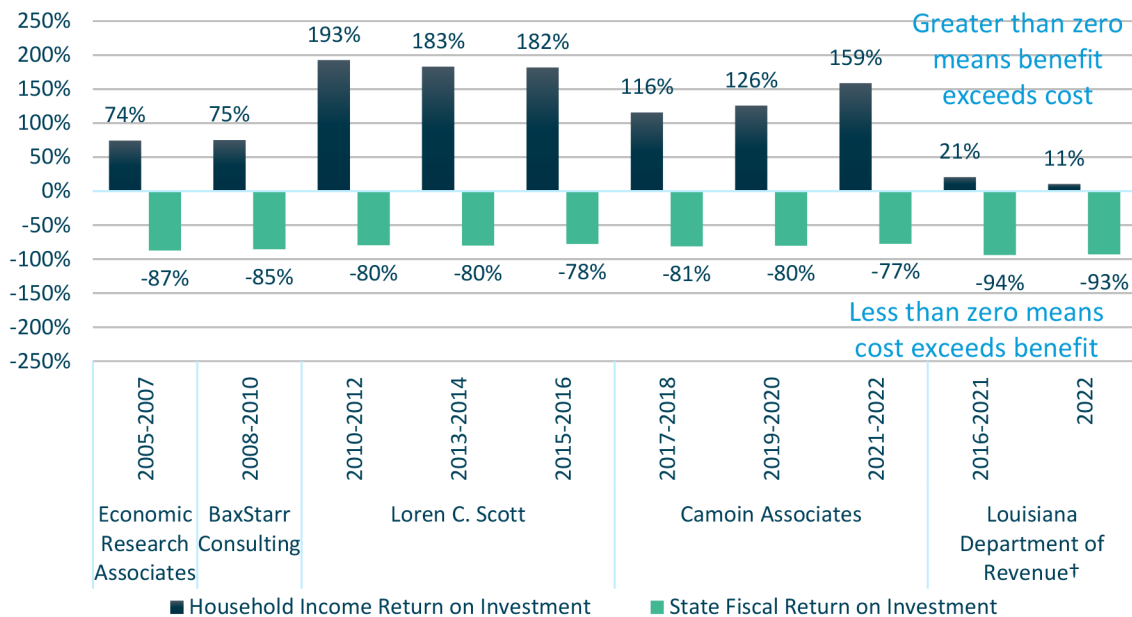
Because of legislative interest in the Motion Picture Investor Tax Credit, we obtained information on the credit and the state’s motion picture industry.

What We Found

Question 1: What is the economic impact of the Motion Picture Investor Tax Credit program (MPITC)?

Overall, the MPITC appears to have a positive economic impact on the state’s economy because it generates more household income than it costs the state, but the credit does not generate enough state tax revenue to make up for the revenue that the state loses.

**Motion Picture Tax Credit Economic Impact Studies
Calendar Year 2005 through Fiscal Year 2022**



† The Louisiana Department of Revenue’s (LDR) studies were the only ones to utilize a “but-for” calculation. LDR’s economic return on investment was originally calculated based on value added (i.e., gross domestic product), but we converted this to a household income multiplier based on the typical ratio of personal income to gross domestic product, excluding 2020 and 2021 when pandemic-related disruptions temporarily distorted this ratio.

Source: Prepared by legislative auditor’s staff using economic impact studies provided by the Louisiana Department of Economic Development (LED) and LDR.

Motion Picture Investor Tax Credit

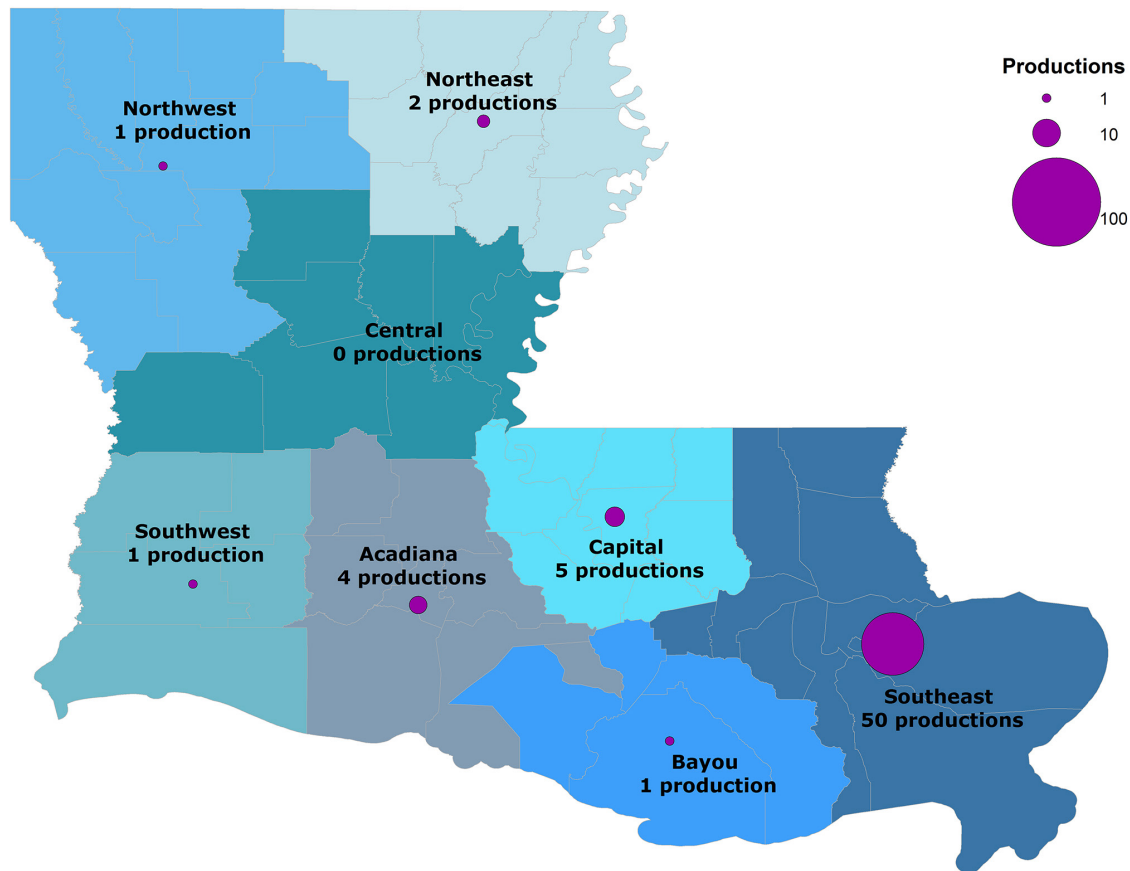
Louisiana Department of Economic Development

What We Found (Cont.)

Question 2: What is the geographic distribution of motion picture production activity that benefits from the motion picture investor tax credit?

We estimate that 72% of the jobs and 78% of the productions in Louisiana's motion picture industry is located in the New Orleans area. Among credits certified in fiscal years 2021 and 2022, 19% of projects (accounting for 4% of incentive dollars) qualified for the added 5% incentive for producing films outside of the New Orleans area. It may be possible for Louisiana's smaller metropolitan statistical areas to grow their motion picture industries, although they may face challenges because of their relatively small populations.

Number of Productions by Region
Fiscal Years 2021 and 2022



Note: The filming locations for 18 out of 80 projects could not be determined. Two projects were counted twice because they occurred in two regions each.

Source: Prepared by legislative auditor's staff using information from LED, the Internet Movie Database, industry websites, and news articles.

View the full report at www.la.la.gov.